

DEPARTMENT OF COMMERCE

Patent and Trademark Office

37 CFR Parts 1, 3, 5, 7, and 10

[Docket No. : 960606163-7130-02]

RIN 0651-AA80

Changes to Patent Practice and Procedure

AGENCY: Patent and Trademark Office, Commerce.

ACTION: Final rule.

SUMMARY: The Patent and Trademark Office (Office) is amending the rules of practice to simplify the requirements of the rules, rearrange portions of the rules for better context, and eliminate unnecessary rules or portions thereof as part of a government-wide effort to reduce the regulatory burden on the American public. Exemplary changes include: simplification of the procedure for filing continuation and divisional applications; amendment of a number of rules to permit the filing of a statement that errors were made without deceptive intent, without a requirement for a further showing of facts and circumstances; and elimination of the requirement that the inventorship be named in an application on the day of its filing, which eliminates the need for certain petitions to correct inventorship.

EFFECTIVE DATE: December 1, 1997.

FOR FURTHER INFORMATION CONTACT: Hiram H. Bernstein or Robert W. Bahr, Senior Legal Advisors, by telephone at (703) 305-9285, or by mail addressed to: Box Comments—Patents, Assistant Commissioner for Patents, Washington, DC 20231 marked to the attention of Mr. Bernstein or by facsimile to (703) 308-6916.

SUPPLEMENTARY INFORMATION: This rule change implements the Administration's program of reducing the regulatory burden on the American public in accordance with the changes proposed in the Notice of Proposed Rulemaking entitled "1996 Changes to Patent Practice and Procedure" (Notice of Proposed Rulemaking), published in the Federal Register at 61 FR 49819 (September 23, 1996), and in the Official Gazette at 1191 Off. Gaz. Pat. Office 105 (October 22, 1996). The changes involve: (1) simplification of procedures for filing continuation and divisional applications, establishing lack of deceptive intent in reissues, petition practice, and in the filing of papers correcting improperly requested small entity status; (2) elimination of unnecessary requirements, such as certain types of petitions to correct

inventorship under § 1.48; (3) removal of rules and portions thereof that merely represent instructions as to the internal management of the Office more appropriate for inclusion in the Manual of Patent Examining Procedure (MPEP); (4) rearrangement of portions of rules to improve their context; and (5) clarification of rules to aid in understanding of the requirements that they set forth.

Changes to Proposed Rules: This Final Rule contains a number of changes to the text of the rules as proposed for comment. The significant changes (as opposed to additional grammatical corrections) are discussed below. Familiarity with the Notice of Proposed Rulemaking is assumed.

Discussion of Specific Rules and Response to Comments: Forty-three written comments were received in response to the Notice of Proposed Rulemaking. The written comments have been analyzed. For contextual purposes, the comment on a specific rule and response to the comment are provided with the discussion of the specific rule. Comments in support of proposed rule changes generally have not been reported in the responses to comments sections.

Title 37 of the Code of Federal Regulations, Parts 1, 3, 5, 7, and 10 are amended as follows:

Part I

Section 1.4

Section 1.4, paragraphs (d)(1) and (2), are amended to be combined into § 1.4 paragraphs (d)(1)(i) and (d)(1)(ii). Section 1.4(d)(1)(ii) is also amended to include the phrase "direct or indirect copy" to clarify that the copy of the document(s) constituting the correspondence submitted to the Office may be a copy of a copy (of any generation) of the original document(s), or a direct copy of the original document(s).

Section 1.4(d)(2) is amended to provide that the presentation to the Office (whether by signing, filing, submitting, or later advocating) of any paper by a party, whether a practitioner or non-practitioner, constitutes a certification under § 10.18(b), and that violations of § 10.18(b)(2) may subject the party to sanctions under § 10.18(c). That is, by presenting a paper to the Office, the party is making the certifications set forth in § 10.18(b), and is subject to sanctions under § 10.18(c) for violations of § 10.18(b)(2), regardless of whether the party is a practitioner or non-practitioner. The sentence "[a]ny practitioner violating § 10.18(b) may also be subject to disciplinary action"

clarifies that a practitioner may be subject to disciplinary action in lieu of or in addition to sanctions under § 10.18(c) for violations of § 10.18(b).

Section 1.4(d)(2) is amended so that the certifications set forth in § 10.18(b) are automatically made upon presenting any paper to the Office by the party presenting the paper. The amendments to §§ 1.4(d) and 10.18 support the amendments to §§ 1.6, 1.8, 1.10, 1.27, 1.28, 1.48, 1.52, 1.55, 1.69, 1.102, 1.125, 1.137, 1.377, 1.378, 1.804, 1.805, (§§ 1.821 and 1.825 will be reviewed at a later date in connection with other matters), 3.26, and 5.4 that delete the requirement for verification (MPEP 602) of statements of facts by applicants and other parties who are not registered to practice before the Office. The absence of a required verification has been a source of delay in the prosecution of applications, particularly where such absence is the only defect noted. The change to §§ 1.4(d) and 10.18 automatically incorporates required averments thereby eliminating the necessity for a separate verification for each statement of facts that is to be presented, except for those instances where the verification requirement is retained. Similarly, the amendments to §§ 1.4(d) and 10.18 support an amendment to § 1.97 (§§ 1.637 and 1.673 will be reviewed at a later date in connection with other matters) that changes the requirements for certifications to requirements for statements. This change in practice does not affect the separate verification requirement for an oath or declaration under § 1.63, affidavits or declarations under §§ 1.130, 1.131, and 1.132, or statements submitted in support of a petition under § 5.25 for a retroactive license. The statements in §§ 1.494(c) and 1.495(f) that verification of translations of documents filed in a language other than English may be required is also maintained, as such requirements are made rarely and only when deemed necessary (e.g., when persons persist in translations which appear on their face to be inaccurate). The requirements for certification of service on parties in §§ 1.248, 1.510, 1.637 and 10.142 are also maintained.

Section 1.4 is also amended to add a new paragraph (g) related to an applicant who has not made of record a registered attorney or agent being required to state whether assistance was received in the preparation or prosecution of a patent application. This is transferred from § 1.33(b) for consistent contextual purposes.

application under a final rejection). § 102(d) of Pub. L. 103-465 provides that "[t]he statement of administrative action approved by the Congress under section 101(a) shall be regarded as an authoritative expression by the United States concerning the interpretation and application of the Uruguay Round Agreements and this Act in any judicial proceeding in which a question arises concerning such interpretation or application." The statement of administrative action specifies that such further examination is to facilitate the completion of prosecution of applications pending before the Office, and to permit applicants to present a submission after the Office has issued a final rejection on an application. See H.R. Rep. 826(i), 103rd Cong., 2nd Sess., 1005-06, reprinted in 1984 U.S.C.C.A.N. 3773, 4298.

Upon mailing of a notice of allowance under § 1.311, prosecution of an application before the Office is concluded. The proposed amendment to obtain further examination pursuant to § 1.129(a) after allowance would nullify (rather than facilitate) the completion of prosecution of the above-identified application, and, as such, would be inconsistent with the purpose for the provisions of § 532(a)(2)(A) of Pub. L. 103-465.

Comment 29: One comment questioned how the filing of a continued prosecution application would result in less delay than the filing of a continuing application under § 1.53(b), as a continued prosecution application would be subject to pre-examination processing delays.

Response: The Office will not issue a new filing receipt for a continued prosecution application under § 1.53(d). See § 1.54(b). By not issuing a filing receipt for a continued prosecution application, the Office will be able to perform the pre-examination of any continued prosecution application in the examining group to which the prior application was assigned. Likewise, § 1.6(d) has been amended to permit an applicant to file a continued prosecution application under § 1.53(d) by facsimile, and the use of this means of filing a continued prosecution application will avoid the delay inherent in routing an application (or any paper) from the mailroom to the appropriate examining group. These provisions will enable the Office to process a continued prosecution application in the manner that a submission under § 1.129(a) is processed.

Comment 30: One comment questioned whether the filing date of a continued prosecution application is the

filings date for determining patent term, or is significant only in establishing copendency. Another comment questioned what filing date was relevant for determining patent term.

Response: Notwithstanding that a continued prosecution application is assigned the application number of the prior application, the filing date of the continued prosecution application is the date on which the request for such continued prosecution application was filed (§ 1.53(d)). While the filing date of the continued prosecution application is relevant to establishing the copendency required by 35 U.S.C. 120 and § 1.78(a) between the continued prosecution application and the prior application, the filing date of a continued prosecution application will never be relevant to the term under 35 U.S.C. 154(b) of any patent issuing from the continued prosecution application.

Any continued prosecution application under § 1.53(d) will be filed on or after June 8, 1995, and will claim the benefit of an earlier application as a continuation or divisional application. Section 1.53(d)(7) specifically provides that:

A request for an application under this paragraph is the specific reference required by 35 U.S.C. 120 to every application assigned the application number identified in such request. No amendment in an application under this paragraph shall delete this specific reference to any prior application.

Thus, an application under § 1.53(d) cannot be amended to delete the specific reference to the prior application, as well as the specific reference to any application to which the prior application contains a specific reference under 35 U.S.C. 120, 121, and 365(c). As an application under § 1.53(d) will also contain a specific reference to at least one other application under 35 U.S.C. 120, 121, and 365(c), the expiration date under 35 U.S.C. 154(b)(2) of any patent issuing from the application under § 1.53(d) will be based upon the filing date of the prior application (or the earliest application to which the prior application contains a specific reference under 35 U.S.C. 120, 121, and 365(c)).

Comment 31: One comment argued that the Office should address not only the filing requirements for continuing applications, but also the cause of the filing of continuing applications. The comment specifically argued that the current second action final practice should be reevaluated as an applicant no longer has an incentive to delay the prosecution of an application due to Pub. L. 103-465.

Response: The suggestion is being taken under advisement as part of a comprehensive effort by the Office to reengineer the entire patent process. However, it should be noted that any changes to the current second action final practice to provide additional examination of an application prior to a final Office action would necessitate a corresponding increase in patent fees.

Comment 32: One comment suggested that the Office simply eliminate the "true copy" requirement of § 1.60, rather than add new provisions permitting the use of a copy of the oath or declaration of a prior application. The comment also suggested that the Office simply amend § 1.62 to eliminate the requirement that the Office assign a new application number to the application, rather than add a new § 1.53(d).

Response: The amendments to § 1.53 do not simply make minor changes to §§ 1.60 and 1.62. Sections 1.60 and 1.62 are anachronisms that have outlived their usefulness. A significant number of applications filed under § 1.60 do not meet the requirements of § 1.60 (and, as such are improper), but would be proper under § 1.53 (in the absence of a reference to § 1.60). The elimination of § 1.60 will result in a reduction in the Office's burden in treating and the applicant's burden in correcting these improper applications under § 1.60, as such applications would generally have been proper applications if filed under § 1.53 (without a reference to § 1.60). Section 1.63(d) retains most of the benefits of § 1.60, but eliminates the filing "traps" of § 1.60.

Section 1.62 practice also causes problems concerning its prohibition against including a new or substitute specification, and its permitting the filing of a continuation-in-part. To avoid continued prosecution application practice under § 1.53(d) being confused with the former file-wrapper-continuation practice under § 1.62, the Office has deemed it advisable to use a new § 1.53(d) rather than § 1.62 in regard to continued prosecution application practice.

Comment 33: One comment stated that the Office should anticipate the filing of applications containing a reference to § 1.60 or § 1.62 for some period.

Response: That applications containing a reference to §§ 1.60 or 1.62 will continue to be filed has been anticipated. The treatment of such applications is discussed *infra* with respect to the elimination of §§ 1.60 and 1.62.

Comment 34: One comment stated that the safeguard in § 1.60 concerning

the filing of an application lacking all of the pages of specification or sheets of drawings of the prior application has not been retained in § 1.53(b). The comment suggested that § 1.53 contain a presumption that a continuation or divisional be presumed, absent evidence to the contrary, to be the filing of an application identical to the prior application.

Response: The Court of Customs and Patent Appeals (CCPA) has held that a mere reference to another application, patent, or publication is not an incorporation of anything therein into the application containing such reference. See *In re de Seversky*, 474 F.2d 671, 177 USPQ 144 (CCPA 1973); see also *Dart Industries v. Banner*, 636 F.2d 684, 207 USPQ 273 (CCPA 1980) (related decision). These decisions relied upon *In re Lund*, 376 F.2d 982, 153 USPQ 625 (CCPA 1967), which considered the incorporation by reference issue in the context of whether a prior art patent adequately incorporated by reference a prior application. The court, in *Lund*, specifically stated:

There is little in the term "continuation-in-part" which would suggest to the reader of the patent that a disclosure of the nature of Example 2 is present in the earlier application and should be considered a part of the patent specification. Thus, we cannot agree that the subject matter of claim 3 is tacitly "described" in the Margerison patent within the meaning of § 102(e).

Id. at 989, 153 USPQ 631-32 (footnote discussing the definition of "continuation-in-part" as set forth in MPEP 201.08 omitted). While the holdings in *Dart Industries*, *de Seversky* and *Lund* appear to be based upon the definitions of the various categories of continuing applications set forth in the MPEP (and thus could be changed by a revision to the MPEP), the Office is not at this time inclined to disturb settled law in this area.

Nevertheless, an applicant may incorporate by reference the prior application by including, in the continuing application-as-filed, a statement that such specifically enumerated prior application or applications are "hereby incorporated herein by reference." The inclusion of this incorporation by reference of the prior application(s) will permit an applicant to amend the continuing application to include any subject matter in such prior application(s), without the need for a petition.

Section 1.54

Section 1.54(b) is amended to add the phrase "unless the application is an application filed under § 1.53(d)." To

minimize application processing delays in applications filed under § 1.53(d), such applications will not be processed by the Office of Initial Patent Examination as new applications.

No comments were received regarding the proposed change to § 1.54.

Section 1.55

Section 1.55(a) is amended to remove the requirement that the statement be verified in accordance with the change to §§ 1.4(d)(2) and 10.18.

No comments were received regarding the proposed change to § 1.55.

Section 1.59

Section 1.59 is amended: (1) By revising the title to indicate that expungement of information from an application file would come under this section; (2) by revising the existing paragraph and designating it as paragraph (a)(1); and (3) by adding paragraphs (a)(2), (b) and (c). Section 1.59(a)(1) retains the general prohibition on the return of information submitted in an application, but no longer limits that prohibition to an application that has been accorded a filing date under § 1.53. The portion of the paragraph relating to the Office furnishing copies of application papers has been shifted to new paragraph (c). Section 1.59(a)(2) makes explicit that information, forming part of the original disclosure (i.e., written specification including the claims, drawings, and any preliminary amendment specifically incorporated into an executed oath or declaration under §§ 1.63 and 1.175) will not be expunged from the application file.

Section 1.59(b) provides an exception to the general prohibition of paragraph (a) on the expungement and return of information and would allow for such when it is established to the satisfaction of the Commissioner that the requested expungement and return is appropriate. Section 1.59(b) covers the current practice set forth in MPEP 724.05 where information is submitted as part of an information disclosure statement and the submitted information has initially been identified as trade secret, proprietary, and/or subject to a protective order and where applicant may file a petition for its expungement and return that will be granted upon a determination by the examiner that the information is not material to patentability. Any such petition should be submitted in reply to an Office action closing prosecution so that the examiner can make a determination of materiality based on a closed record. Any petition submitted earlier than close of prosecution may be dismissed as premature or returned unacted upon. In

the event pending legislation for pre-grant publication of applications, which provides public access to the application file, is enacted, then the timing of petition submissions under this section will be reconsidered.

Petitions to expunge were formerly considered under § 1.182, with the Office of Petitions consulting with the examiner on the materiality of the information at issue prior to rendering a decision. A possible result of the amendment to § 1.59 would be to have petitions under § 1.59 to expunge simply decided by the examiner who determines the materiality of the information.

Comment 35: One comment suggested that petitions to expunge under § 1.59 should be decided by Group Directors or officials in the Office of Petitions, rather than by examiners. The comment argued that any individual examiner would decide such a petition so rarely that it would be difficult to produce uniform and consistent decisions.

Response: The preamble has been amended to reflect that a possible result of the rule change is to have petitions under § 1.59 decided by the examiners. The heart of most petitions to expunge is a determination as to whether the material sought to be expunged is material to examination, a matter that is now referred to examiners prior to a decision on the petition. Given the major role examiners now play in expungement matters, it is not clear why examiners would be rendering inconsistent decisions, particularly as so many other matters are routinely assigned to examiners including petitions under § 1.48. Nevertheless, the comment is not germane to § 1.59 as proposed (or adopted), but concerns the internal Office delegation of such petitions for consideration. Moreover, a petition to expunge a part of the original disclosure would have to be filed under § 1.183 and would continue to be decided in the Office of Petitions.

Comment 36: A comment in requesting some examples of things that may be expunged asked whether a design code listing as an appendix in an application may be expunged.

Response: The standard set forth in paragraph (b) of § 1.59 permits information other than what is enumerated in paragraph (a) of the section to be expunged if it is established to the satisfaction of the Commissioner that the return of the information is appropriate. The types of information and rationales why the information may be returned are varied and will be evaluated on a case-by-case basis with the basic inquiry being whether the information is material to